

Payment Accuracy of Dually Entitled Title II Beneficiaries

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Office of Audit Report Summary

Objective

Our objective was to determine whether the Social Security Administration (SSA) was paying the correct benefit to individuals who had dual entitlements under the Title II program.

Background

SSA administers the Old-Age, Survivors and Disability Insurance program under Title II of the *Social Security Act*. The program provides monthly benefits to retired or disabled workers and their families and to survivors of deceased workers.

Dual entitlement exists when a beneficiary is entitled to more than one benefit at the same time. For example, a beneficiary may be entitled to retirement benefits on his/her own earnings record and a spouse's benefits on another person's record. Although a beneficiary may be simultaneously entitled to more than one benefit, the total benefit may not be greater than the highest single benefit amount to which they are entitled. Generally, SSA calculates the amounts due and combines the benefits into one monthly payment.

Our current review assessed the accuracy of payments for beneficiaries who received benefits under more than one beneficiary record, but SSA's records did not indicate that dual entitlement existed.

Our Findings

Of the 50 sample Title II beneficiaries who were receiving benefits on 2 Social Security records, we determined that SSA incorrectly paid 29 (58 percent) beneficiaries full benefits on both records.

Of the 29 payment error cases, 9 may have been subject to SSA's administrative finality regulations. If SSA applies its administrative finality regulations to these cases, it will not collect the overpayments or correct the ongoing payment errors. For these payment error cases, we estimate, as of March 2013, SSA had overpaid about 664 beneficiaries approximately \$7.6 million. SSA will continue overpaying the child beneficiaries until they reach age 18 and are no longer entitled to benefits or the adult beneficiaries die, resulting in additional overpayments of about \$10.3 million. In a previous report, we recommended SSA evaluate, and consider revising, its administrative finality regulations to allow for the collection of more debt. SSA agreed with the recommendation and issued proposed rule changes for public response.

For the remaining 20 payment error cases, we estimate that, as of March 2013, SSA had overpaid approximately 1,475 beneficiaries about \$6 million. In addition, 18 of the 20 beneficiaries had overpayments that continued after March 2013. As such, we estimate that, for the 12 months following our audit, overpayments in our population totaled about \$4.3 million.

Our Recommendations

We recommended that SSA:

1. Review all cases in our population to ensure all overpayments are identified, recorded, and pursued for recovery.
2. Based on review and analysis of the cases from recommendation one, determine whether additional controls are necessary to identify and correct Title II duplicate payments.